



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

November 12, 1997

S. 1354

A bill to amend the Communications Act of 1934 to provide for the designation of common carriers not subject to the jurisdiction of a state commission as eligible telecommunications carriers

As passed by the Senate on November 9, 1997

CBO estimates that S. 1354 would not have any significant impact on the federal budget. Because the bill would not affect direct spending or receipts, pay-as-you-go procedures would not apply. In addition, S. 1354 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act of 1995 and would impose no costs on state, local, or tribal governments.

In a May 1997 order, the Federal Communications Commission (FCC) concluded that telecommunications carriers not subject to the jurisdiction of a state commission (for example, common carriers owned by Indian tribes) may still be designated as eligible telecommunications carriers for the purpose of receiving support from the universal service fund. S. 1354 would amend the Communications Act of 1934 to codify the FCC's policy. The universal service fund redistributes income from interstate carriers to telecommunications carriers providing services to high-cost areas, low-income people, schools, libraries, and nonprofit rural health care providers. The cash flows from the universal service fund appear in the budget as governmental receipts (for fund collections) and direct spending (for amounts distributed from the fund). CBO estimates that enacting S. 1354 would not have any significant budgetary impact because the bill would not cause the FCC to change the size or scope of the universal service fund.

The CBO staff contact for this estimate is Rachel Forward. This estimate was approved by Paul N. Van de Water, Assistant Director for Budget Analysis.